



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
<http://dnr.state.il.us>

Pat Quinn, Governor
Marc Miller, Director

MINUTES OF MEETING OF ILLINOIS STATE MINING BOARD

INA, ILLINOIS

APRIL 17, 2014

The following State Mining Board members were present:

Fred Frederking
Tim Kirkpatrick
Don Stewart
George Teegarden
Dave Webb
Mike Woods, Executive Officer

The meeting was called to order by Executive Officer Jim Hafliger. A roll call of board members was made with five members present. Having a quorum of board members, Mr. Hafliger proceeded with the meeting.

The minutes from the January 9, 2014 State Mining Board meeting was reviewed and accepted as presented.

The first item on the agenda was a presentation by Knight Hawk Coal, LLC on the development plans for the American Eagle Mine. Tom Hasenstab, mine engineer for underground operations, briefly discussed the proposed initial development, which involved box cut development, ventilation, roof and dust control pursuant to initial underground development into the highwall. The mine would be producing coal from a 15,000 acre block with projected reserves of 150 million tons. The Herrin #6 seam would be mined at an average thickness of 5' – 7' at 130-200' of depth. The company requests approval of extended cross cuts beyond 60'. This request is for up to 150' in adverse conditions and the state mine inspector would be contacted prior to developing at this extended cross cut distance. The company will be utilizing 60 X 80 blocks in main line entries and 60 X 60 in panels.

Knight Hawk will be connecting the American Eagle Mine with the Prairie Eagle Underground Mine as both will drive entries for this connection. The company anticipates this being accomplished in approximately a year after the American Eagle's start-up. The company plans to have a total of five units running; three units at Prairie Eagle Underground and two units at American Eagle.

The mined coal will be trucked to the Prairie Eagle Preparation Plant, approximately six miles travel distance, initially hauled from the pit floor with a radial stacker being added later to move coal from pit floor to a load-out area on surface.

Mr. Hasenstab asked that the mine's diesel plan be revised from what was submitted as the incorrect amount of diesel stored on the working section was incorrect. The amount should be 500 gallons and not 55 gallons. Board member Cross made motion to accept the America Eagle development plans with second by Board member Webb and motion passed.

The next item on the agenda was a presentation by Peabody Midwest LLC regarding the company's mine bottom escapement plan for the Gateway North Mine. Chad Barras, Midwest Corporate Safety Director, stated the company wanted to ensure the Mining Board understood the company's use of a dual compartment slope. As provided in an earlier meeting this is truly dual compartment slope as a concrete floor is poured 7'-8' above the bottom of the slope floor. It is only an 8 degree slope so can be driven or walked without a great deal of difficulty. Today's discussion is the phase-in period between the beginning of bottom development and the installation of the escape hoist in the intake shaft. The Coal Mining Act allows for the depth of the Gateway North Mine 6 months for completion of the escape shaft. But the act does not allow for the use of a dual compartment slope that allows for two separate means of escape. The company expects to move the existing escape hoist from the Gateway Mine to the Gateway North Mine within this 6 month time frame. However, if the company is off on their projections of completing the slope, sooner than projected, and cannot move the hoist within the 6 month period, can the mine work with the state mine inspector and still use the dual compartment concept during this extended period. The mine will also be adding the capability for the slope belt to move at creep speed to allow removal of employees. While the dual compartment slope has been used and allowed at other operations in the state, Peabody wants the assurance that will also be allowed at the Gateway North Mine is delayed beyond 6 months. Along the same lines Mr. Barras wanted to be clear that with the dual compartment configured to transport employees would allow the mine to continue operating if the escape hoist was down. Mr. Barras stated the mine will actually have three means of escape; slope, belt and escape hoist. Board member Cross indicated he had no problems in what they were proposing but he did have concern on Peabody's proposal to provide the state mine inspector at large updates every two weeks until hoist is installed. He had a problem with this be open as to the period of time that the company would be allowed to provide these updates. Mr. Barras had no problem with asking for a time frame for these updates such as 3-4 months but still had concern over what if it went beyond this period. It was agreed by Mr. Barras and the board that the best way to eliminate a problem is for the company to return before the board if they see the installation of the escape hoist will not occur with the 3-4 month extension period. Board member Webb made the motion that flexibility be granted to the Gateway North Mine that would allow the mine to go three months beyond the 6 month for completion of escape shaft if it was deemed reasonable and update reports be provided every two weeks to the Office of Mines and Minerals. Board member Cross seconded the motion and unanimously adopted.

Work experience credit was the next agenda item as an individual recently submitted an application with experience expressed in hours worked per year. It has been the practice that experience was provided in years, months and days. The question is being brought before the board as to how many hours constitute a year. The issue relative to this individual was one year he only provided 600 hours of mine employment. Another issue could present itself is more employees work for independent contractors and time is accumulated in hours these individuals

have asked in the past what is the minimum number of hours needed to equal a year's work. This was directed toward receiving first class certification. Currently, when a company provides a letter stating employment in years and months there is no question as to how many hours were worked during this timeframe. Board member Kirkpatrick did not want to see hours being required as part of a company's experience letter. Executive Office Hafliger did not see the issue being a company providing a letter outlining experience as the individual providing experience with his state mine inspector application is more of an exception but instead the issue that is of concern involves the contract employee. Obviously, the criterion for one year experience is accumulative and does not have to be acquired in a calendar year but can be over several years. The board discussed several scenarios where contract employees work at a mine or several mines and the difficulty of knowing truly how much time the company he was employed by worked at the mine or even where an employee worked (at the face or outby). The board agreed this was not an issue that needed addressed immediately and further research is needed as well as bringing in the Examining Board for their input.

Independent Contractor employee accident reporting was the final item. Questions have been raised as to whether a coal operator should be responsible for reporting accidents to independent contractors while on their property, especially while underground. The opinion varies from operator to operator. It has been noted that MSHA reflects a higher number employed in the Illinois coal industry than OMM based on the inclusion of independent contractor employees at mine sites. Also, Executive Officer Hafliger stated OMM presents each year safety awards and how accurate or fair is this presentation if all the reportable accidents at a mine are not reported. Mr. Hafliger is asking the board for a statement or at least discussion on whether company reporting of accidents is only directed toward company employees or for all who are under the direction of the mine manager, which includes independent contractor employees. MSHA has attempted to define who reports accidents as a recent court ruling placed the responsibility of reporting on the operator who supervises and controls the entire coal mine. It was a consensus of the Board that everyone, company employee or independent contractor employee, underground is under the control of the mine manager and the reporting of all accidents while under his control is to be reported by the mine. Chad Barras, Midwest Corporate Safety Director with Peabody Midwest, stated that his company is including the time and accidents as part of the mine's if the contractor employee works side by side with company personnel. He felt the industry may need guidance in the future relative to incorporating employee-hours, etc. Mr. Hafliger agreed that and other issues relative to contractor employees may need further review.

Having no further items on the agenda, Executive Officer Hafliger asked for a motion to adjourn, Board member Frederking made the motion with second by Board member Webb and motion passed.